Sustainability Reporting Initiative in Balkans’ Higher Education Institutions: The Case of ECOSSS

Assist. Prof. Dr. Xhimi Hysa¹, Assist. Prof. Dr. Mustafa Üç², PhD C. Sonila Gruda³, Artir Maliqi⁴

¹ Department of Business Administration, Epoka University, Albania
² Department of Business Administration, Epoka University, Albania
³ Albanian Business Transparency, Albania
⁴ Department of Business Administration, Epoka University, Albania

Abstract

The aim of this study is to define the content and the importance of the Sustainability Reporting, which is a non-financial reporting procedure, prepared by organizations in order to be more transparent and accountable by giving the necessary and reliable information for the decision making processes. It describes also the interdependency between non-financial and financial issues in today’s global environment. The research context is that of higher education. The method is based on a pilot case study for creating the Epoka Center of Service Systems Sustainability (ECOSSS). Because this is a pilot study, there are not actual results but only expected ones. The expected results of the center are: a) to provide the annual sustainability report of Epoka University that would affect directly the ranking, creditability and reporting experience of the University as a whole; b) to offer research, consultation, workshops and training programs. The engagement in these programs and activities will indicate seriousness and influence on the rating decision of customers and investors by increasing the recognition, trust and creditability, efficiency of risk management, and value creation.

Keywords: Sustainability Reporting, Global Reporting Initiative, Epoka Center on Service, Systems Sustainability

Introduction

The globalization process has taken place in each and every corner of the world, but managing economic systems efficiently and effectively is becoming an enormous challenge for corporations to handle and analyze where they are headed and how they are going to reach the intended performance. Therefore the corporations in the last times have the tendency to remain sustainable on their current operating business or enlarge their business activity by firstly taking into consideration the basic factors like survival and well-being. In order to ensure value and coherence they should pay attention to the natural environment and society by establishing circumstances under which organizations, society, and environment can exist in ideal synchronization.
Since many organizations today are facing problems of accountability and difficulties in dealing with complex decision-making processes, then reporting is becoming a new way of increasing the effectiveness in organizing and rational decision-making. Managers face many decisions, but they often make unsustainable choices (Arvai, Campbell, and Steel, 2012). The emerging trend of sustainability reporting is embracing not only great corporations for which it is now mandatory to report (at least in EU), but also other institution of every type and size of industry. In the higher education context sustainability reporting is still in its early stages (both in numbers of institutions reporting and in level of reporting) when compared to sustainability reporting in corporations (Lozano, 2011). However, the recent Higher Education Sustainability Initiative (HESI), created as a partnership of UN entities (UNESCO, UN-DESA, UNEP, Global Compact, and UNU) in the run-up to the United Nations Conference on Sustainable Development (Rio+20), has reinforced the focus of sustainability in higher education (https://sustainabledevelopment.un.org). On the other hand, the UN Global Compact Program has created also the Principles for Responsible Management Education (www.unprme.org).

Given the trend, our research aim is to create a sustainability center in order to make academic research and projects research. In addition, the center will take care about the whole process of preparing Epoka’s University Sustainability Annual Report which will help the center to gain the necessary experience needed (which is a must) to become a certified training partner of the Global Reporting Initiative (GRI) in the near future. This stage would expand the opportunities to offer consultations, workshops and different training programs for interested local and regional entities. By providing these services the center will focus on defining the content and the importance of Sustainability Reporting, which is a non-financial reporting procedure, prepared by any organization in order to be more transparent and accountable by giving the necessary and reliable information for the decision making processes, and effecting the judgments of customers, investors, and generally of all the stakeholders.

Different data sources show that sustainability reporting is crucial not only for organizations and industry sectors, but for the overall regional development. They show also that in the Balkan region the sustainability movement has began, but it is still at embryonic level and furthermore is not significantly diffused among organizations. This movement is less accented in Albania, and still it is less accented in the higher education sector referring to the overall region. As a consequence, this is an opportunity for Epoka University that, by creating the ECOSSS, it becomes the first higher education institution in Albania and Balkans regarding sustainable development and reporting.

2. Literature review and theoretical framework
“A sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities” (www.globalreporting.org). It is a key tool to help corporations set goals, measure progress and manage sustainability. The organization that has pioneered and developed wide-range of sustainability reporting framework is the Global Reporting Initiative (GRI), which provides the sustainability standards for the corporations; it is a non-profit organization and aims to attract as much corporations as possible on the sustainability reporting framework. It is intended to be applied in every corporation, no matter the type, size or sector in which it operates. Reporting may contribute to corporations to evade natural and societal risks that can cause different negative impacts on the monetary related issues on them.

In the preparation of this report attention must be focused on the *triple bottom line* approach which includes economical, social and environmental indicators on the development of corporations in a long term perspective (Elkington, 1997). In economical indicators can be included factors related to the creation of long term fruitfulness and establishment of an ethical corporate working environment, such as economic performance, market presence, etc. Social indicators are based on the internal aspects including the labor force, corporate responsibility and subordinates responsibility and also external aspects that are related directly to the stakeholders. The growth rate of the world population tends to increase day by day while in some countries like Italy it has come to a standstill. In the industrialized countries, better saying in most industrialized countries constantly reduce resources that seems to be crucial like water and energy. While economy needs a highly increase growth, the environment needs a sustainable development and this can be reached through anthropoid process. Thus, relevant environmental factors can include water, energy, emissions, etc. Table 1 is a summary.

Table 1. Sustainability reporting
Nevertheless, the influence of classical economic thought, based on profit maximization, is still relevant today. It is relevant because the managerial activity is thought to be an exclusive activity of businesses, forgetting the role of non-profit organizations like there are also universities. According to what said above, the non-profit has been, is and it will be one of the most important megatrends (by purpose, or by organizational type) of higher education industry. The nonprofit is not so much “naive” as it seems. “Many non-profits operate just like for-profit businesses. They make huge profits, pay handsome salaries, build office towers, invest billions of dollars in stocks and bonds, employ lobbyists and use political action committees to influence legislation” (Gaul, Borowski 1993, pp. 4). Given the importance, the non-profit sector has too much to explain to the business sector in terms of mission, environment, community, gratification of human resources, etc. (Drucker 1989, 2001). This is to say that every kind of organization, profit or not-for-profit, should see beyond the financial boundaries in order to be responsible and to show sensitteness toward society and environment. On the other side, the profit is not an end itself, but it is a test of the overall organizational performance that today is not based simply on the financial indicators, but also in social and environmental ones.

Looking through an historical viewpoint, most of the organizations started to integrate the social responsibilities on their annual reports, and by a survey conducted by Ernst & Young in mid-1970s, it was founded that only 1 per cent of Fortune 500 companies provided separate social responsibility booklets along with annual reports (Buhr, 2007). However important initiatives

Source: [www.globalreporting.org](http://www.globalreporting.org)

<table>
<thead>
<tr>
<th>TABLE 1: CATEGORIES AND ASPECTS IN THE GUIDELINES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td>Aspects</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

| **Social** |
| Sub- | Labor Practices and Decent Work | Human Rights | Society | Product Responsibility |
| Aspects | | | | |
| | * Employment | * Investment | * Local Communities | * Customer Health and Safety |
| | | * Labor/Management Relations | * Non-discrimination | * Anti-corruption | * Product and Service Labeling |
| | | * Occupational Health and Safety | * Freedom of Association and Collective Bargaining | * Public Policy | * Marketing Communications |
| | | * Training and Education | * Child Labor | * Anti-competitive Behavior | * Customer Privacy |
| | | * Diversity and Equal Opportunity | * Forced or Compulsory Labor | * Compliance |
| | | * Equal Remuneration for Women and Men | * Security Practices | * Supplier Assessment for Impacts on Society |
| | | * Supplier Assessment for Labor Practices | * Indigenous Rights | * Grievance Mechanisms for Impacts on Society |
| | | * Labor Practices | * Assessment | |
| | | * Grievance Mechanisms | | |

Source: [www.globalreporting.org](http://www.globalreporting.org)
and developments on the field increased the attention and awareness of being responsible organizations. The responsibility (sustainability) movement started in 1972 with the Stockholm Conference on Environment Deterioration. After that, followed: Brundtland Commission Reporting – Our Common Future (United Nations), 1987; UN Conference on Environment, Social, and Economic Development, Rio de Janeiro, 1992; Global Reporting Initiative (GRI) for Environmental Protection, 1997; United Nations Global Compact, 2000 (e.g. Circles of Sustainability); World Summit on Sustainable Development, Johannesburg, 2002; Global Reporting Initiative (GRI), 2002; Sustainability Principles, Guidelines, and Reporting; etc. Also in Albania, under the initiative of UNDP, it was created in 2012 the Albanian CSR Network for promoting Corporate Social Responsibility.

Because of this tendency, it becomes “mandatory” to create activities within every institution related with Corporate Sustainability. The current study focuses the attention on the creation of a fertile center within Epoka University that promotes sustainable development. As it is seen from the center’s name (i.e. Epoka Center on Service Systems Sustainability), the project is based conceptually on three pillars: Corporate Sustainability, Service Science and Service-Dominant Logic, and Systems Theory based on the recent trend of the Viable Systems Approach (VSA) of Sapienza University of Rome.

Regarding the Corporate Sustainability, this is an evolutionary concept that covers better many open questions and scientific confusion (in terms of definition) of Corporate Social Responsibility (Frankental, 2001; Frederick, 1994; Welford, 2005). While CSR has not well-defined the concept of environment, or failed in trying to do so (Fukukawa and Moon, 2004; Willard, 2002), the CS has recovered this gap. In the academic setting the most famous approach of Corporate Sustainability is the Triple Bottom Line (TBL) approach (Elkington, 1997, 2008). It is focused on the economic, social, and environmental performance of the organization, respecting the slogan: “people-planet-profit”.

Long term factors like resource scarcity, climate changes, and demographic shifts can redefine societal expectations and regulatory framework in business environments and investment outcomes. Corporation must foresee and manage current and future economic to report in the proper level. Different businesses all over the world now use several standards to improve the quality and performance of their products, with the main aim to reduce risk and support reputations. Standards which can be defined as “agreed ways of doing things” have provided firms with the main guidance to help them create effective procedures to minimize risks and operate more efficiently. Particularly in the corporations of developed countries, what matters most in the guidance of success are standards that have been key agents in preventing pollution, supporting good stakeholder solutions and meeting regulatory compliances including quality and safety. The headlines of sustainability contain facts of risk management, environmental and
stakeholder management, and consequently the main question is: how are businesses using standards to support sustainability?

In the past two decades, developed countries’ entrepreneurs have build sustainability programs to manage the Triple Bottom Line strategy. The main issue is that different corporations have different strategies and different perception of the sustainability reputational issues. According to a study of Verdantix (2012), in UK and EU level, businesses describe the sustainability in four different perspectives:

- For 70% of the corporations, sustainability is well established and recognized by top executives as a driver for innovation and growth.
- For 25% of the corporations, sustainability is seen as a growth driver by only a limited number of executives and is not integrated within the overall business strategy.
- For 5% of the corporations, sustainability is consider as a minor reputational issue and receives little executive attention.
- For 1% of the corporations, sustainability is a new concept for their business.

However, even if in its embryonic stage, the sustainability awareness and importance is increasing. For example, nearly all of the 150 largest corporations in the world had a Chief Sustainability Officer (CSO) with the rank of vice president or higher, and numerous MBA programs had incorporated sustainability training (www.extension.harvard.edu; Willard, 2005).

The second pillar of the theoretical framework is the Service Science, which is the practical perspective of the science of the service born within the laboratories of IBM (Maglio et al., 2012). The actual IBM’s smarter planet philosophy is the derivate of service research (www.ibm.com). On the other hand, the practical perspective of the service science is completed with the theoretical foundations of the service concept that come from the so-called Service-Dominant Logic (Vargo and Lusch, 2008). The S-D Logic is relevant especially for the concept of “value”. For service scholars, value is a relational concept developed through a network of many-to-many relationships (Gummesson, 2008) and can only be proposed via dialogue and co-created via participation (Lusch et al., 2008). The effectiveness of value co-creation is tested by its use in a defined context (i.e. value in context) (Vargo et al., 2008). Since different authors sustain that corporate citizenship and sustainability depends on the effective allocation of values and resources (Crane, Matten, and Moon, 2008; Waddock and Rasche, 2012; Golinelli and Volpe, 2012), and because the effective allocation of value is measured in context (i.e. value in context), it means that corporate sustainability is context-specific. Therefore the governing bodies of every organization must take into consideration the entities that populate the context. They should measure the organizational performance referring also on how their organizations impact on community and environment.
A third view coming from the Department of Management of Sapienza University of Rome, that is the Viable Systems Approach (Golinelli, 2010; Barile et al., 2011), when considers the Corporate Sustainability does not refer to the corporation per se, limited to autopoietic properties (Maturana and Varela, 1980), but to the corporation as a structure in movement (i.e. dynamic viable system) pushed forward by its Governing Body (GB). Therefore, the sustainability of the organization is the mirror of decisions, choices, and actions of its GB with butterfly effects on the context. Here, the context has a constructivist meaning (Piaget, 1954; Vygotsky, 1962; Bateson, 1972; Bandler and Grinder, 1982; Watzlawick, 1984; Foerster, 2003); it is the opera of GB that extracts it as a portion from the general environment with the intention of future interactions with relevant suprasystems (stakeholders), by him identified and selected, once the conditions of consonance (empathy) between GB and suprasystems are established. In this decisional act the CGB is influenced by the components of his information variety: information units, interpretations schemes, and categorical values (Barile, 2009). Since “emotions can express meanings and understanding because strong judgments and values are anchored in emotions and struggling” (Härtel et al., 2005, pp. 29), then, the decision making of GB (influenced by personal values), is as well affected by the bounded rationality (Simon, 1947). In synthesis: corporate sustainability is context-specific because the organization interacts with a sort of environment (i.e. context); context is subjectively designed by the GB, influenced both by emotional elements (e.g. categorical values) and rational ones (e.g. information units).

3. Epoka Center on Service Systems Sustainability (ECOSSS): a pilot case study

3.1. About Epoka University

Epoka is an International University in the Balkan Region and it has about 1300 students. It is located in Tirana, Albanian capital city. Epoka University was established in 2007 and is owned by the “Turgut Özal” Education Institution, which has also established and operated the well recognized system of Turkish primary and high schools in Albania since 1992. Epoka University is the leading national private research university and in the mid-term aims to become one of the top universities in the region. CSIC (Consejo Superior de Investigaciones Cientificas), the largest group of public research in Spain, published in the official website webometrics.info the ranking of the best universities in the world for the last six months of 2014. In this ranking, as in previous years, are included Albanian universities as well. One of the main drivers of the classification is the sustainable development of academic work. In accordance with the statistics, Epoka continues to lead Albanian Higher Education System as the best university for teaching, research, infrastructure, and innovation.

The university is composed by two faculties: Faculty of Economics and Administrative Sciences that includes 4 departments (Banking and Finance, Business Administration, Economics,
Political Science and International Relations), and Faculty of Architecture and Engineering that includes 3 departments (Architecture, Civil Engineering, Computer Engineering). Also, the university provides 3 research centers (Center for European Studies, Continuing Education Center, Center of Research and Design in Architecture – CoRDA).

Epoka University is also strong in international relations and partnerships. Among the several partners are University of Texas at Austin, Istanbul University, Illinois Institute of Technology, Leeds Becket University, Hochschule Mainz University of Applied Sciences, American University in the Emirates, and EADA Business School with which there is a joint program for professional master in business administration and an executive master in management.

3.2. *Epoka University as a sustainable institution*

Actually Epoka University is making efforts for creating a sustainability center, because the university has incorporated since the beginning the philosophy of sustainable development in its mission. Basically the focus is that of the Triple Bottom Line approach (Elkington, 1997). In other words, being economically, socially, and environmentally sustainable.

Regarding the economic sustainability, Epoka University is making a good economic performance, both internally and externally.

Internally, the institution has increased sufficiently the profits to be reinvested in different forms and to sustain the structure, the staff, and the long term strategy of the organization. An important issue is the fact that Epoka rewards the best students by giving different scholarships. Bonuses go also for the staff when their performance goes beyond expectations. Therefore, the main stakeholders that are students and staff are highly satisfied.

Externally, the institution impacts indirectly at the macroeconomic level. Impacts can be measured by the amount of investments on structure and technology, and on the general level of employment as component of the gross domestic product (GDP).

Referring to the social sustainability, the university is engaged in different initiatives related with labor practices, human rights, society, and service responsibility. For example, through the Continuing Education Center, Epoka is offering training programs in order to increase employee engagement, commitment, and satisfaction. Recently, the university participated in the National Competition on Copyright and other related Rights in order to promote human rights in society. Also it organized recently the 2nd Career Fair on April 21, 2015, an activity which offered employment opportunities to last-year students, orienting and supporting these students in their first steps for a successful career. More than 50 companies from Albania and the regional marketplace supported the Second Career Fair. Other fairs and forums are organized in these months for promoting cultural heritage, community engagement, and woman’s rights.
Finally, the ecological sustainability of the university is another strength point. The biodiversity of the large campus is huge. It can be found different kind of birds and domestic animals, different flowers and trees, and a small lake. In order to be environmentally sustainable and to reduce carbon emissions, Epoka University possesses different eco-buses for student and staff transport. This gives the opportunity to let the cars at home and come in destination by a common transport mean. Lately, Epoka University in collaboration with “Green Line Albania” is engaged in sustainable environmental activities such as cleaning the Albanian Riviera, cleaning the Albanian territory in general, creating for the local communities parks and recreation areas, etc.

3.3. Objectives and project timeline of ECOSSS

ECOSSS is projected to be a sustainability center for handling academic research, project management, consulting, and training about sustainable development and reporting. One of the aims is to increase the awareness of organizational governing bodies that sustainability reporting affects judgments, decisions, and choices of top managers, customers, investors, and generally that of all stakeholders. In order to offer the necessary services, the center will be committed to produce interdisciplinary research in the field of sustainability science for qualifying better the academic staff of University, and as a consequence to increase their international recognition. ECOSSS will be engaged on preparing the annual sustainability report of Epoka University in accordance with GRI-G4 guidelines. Since more than 22218 reports are published recently (from which, 17538 are GRI Reports) and more than 7010 organizations are part of the reporting initiatives of GRI, which is the leading organization on the sustainability field, Epoka will prepare its own report in order to be in the trend of the global initiatives of the world’s well known organizations, institutions, and universities (e.g. 155 universities reports worldwide) that have already prepared and published their sustainability reporting.

Sustainability orientation and reporting are very beneficial activities for every organization. “Sustainability is a source of innovation and profitability” (KPMG, 2011). On the other side, according to Ernst & Young (2013), “reports, in addition to creating greater transparency about firm performance, can provide firms with knowledge necessary to reduce their use of natural resources, increase efficiency and improve their operational performance”. In 2013 a survey of Global Corporate Sustainability was conducted by United Nations. About 1700 organizations from more than 100 countries (largest survey on this field) participated. 65% of CEO’s of these firms have already prepared their strategies in accordance to sustainability principles. Research findings of the survey showed that sustainability reporting impacts performance and long-term financial success. Also, findings show that 95 % of the world’s largest corporations now publish online their sustainability reports.
According to e-Marketer, the internet will hit 3 billion users this year, and by 2018 nearly half of the world’s population will have regular access to the web, that is another reason why the organizations should make the sustainability report and then publish it online, in order to make it accessible to the public.

Considering the benefits, Epoka Center on Service Systems Sustainability, will create a project timeline in order to fulfill the predefined objectives. Steps are as follows:

a. becoming an Organizational Stakeholder (OS) of the Global Reporting Initiative (GRI);

b. consulting the “how to” handbook for G4 reporting, other books, articles, and other’s reports;

c. analyze the guidelines and start preparing Epoka’s University sustainability report;

d. after concluding and revising the report, making the self-declaration of reporting at GRI’s website. Before the declaration some sub-steps are required: Prepare (Plan your GRI sustainability reporting process), Connect (Dialogue with stakeholders), Define (Focus your efforts), Monitor (Build your report), Report (Check and communicate);

e. make necessary academic research, project participation, and offer consulting services to the interested entities on preparing their own sustainability reports (in order to increase the experience on this field);

f. applying and starting the process for becoming a “Certified Training Partner” (CTP) of GRI;

g. make the necessary changes and add the necessary information requested by the training program undertaken;

h. after being a Certified Training Partner (CTP) of GRI, engaging in giving sustainability reporting consultations, workshops, and implementation of training programs for locals and region.

3.4. Market analysis, market potential, and strategy

Since the network with the “Turgut Ozal Education” is already established, and remembering that Epoka University is a strategic business unit (SBU) within Turgut Ozal Education Company, therefore the first market target is going to be this network to which we are going offer the services provided by our research center. It means that the first services are going to be offered to the non-profit organizations including Universities. Then the market segmentation will be focused toward other industries, especially to large and well-known national & international institutions, corporations, companies etc. Actually, there are no other competitors in the field referring not only to Albanian country, but also Kosovo and Macedonia. Therefore this is a great opportunity for Epoka to create the supposed sustainability center (ECOSSS).
In relation to the market potential, since April 1/2015, GRI has opened a new call for application regarding *certified training partners* (in accordance with CTP program) including a new list of countries that were not involved before. After our intense communication with GRI’s members, fortunately Albania is part of this list and GRI is waiting applications from Albanian organizations. Thus, Epoka University with the potential center of sustainability (i.e. ECOSSS) can be a potential candidate.

On the other hand, the demand for our services in the region is not satisfactory, and this is noticeable based on the number of reports prepared by the organizations of the region. The market share is also important factor to us; therefore being aware of the reality that in the near future the application of these kinds of services is going to increase intensively, we hope that by then the market share that our company will cover will be between the ranges of 10 % - 20 % of the market.

Regarding the market strategy, our services will be positioned very carefully for the organizations that express their interests and efforts on being part of the sustainability reporting network. Our centre will provide the services only to the serious organizations since they integrate the most sensitive factors of humanity like: society, environment and economy. Our marketing strategy is based mainly on making the right information available to the right target customer. We can’t afford to sell our services to each organization’s asking for it, if they do not have the necessary qualifications to obtain these services. The marketing has to convey the sense of quality in every picture, every promotion, and every publication. Therefore we are going to be a partner of the most serious marketing offering agencies in the region.

Finally in order to make a rational analysis, the Porter’s model of five competitive forces is used (Porter, 1980, 2008). The model is represented graphically in figure 1.

The first element, which is the rivalry among existing competitors, is simple to be analyzed in the case of ECOSSS, since there are no other competitors in the field referring to Albania and Balkans in the higher education context. It means there are no other university centers occupied with sustainable development and reporting. Therefore, ECOSSS will be a pioneer in the field. Regarding the threats of new entrants, these are not so much relevant for the moment since there is not a deep awareness about sustainability in the country and region. After that, when ECOSSS will be created, it will acquire experience and it will expand the service portfolio, economies of scale, product differentiation, distribution channels and so on. In other words, natural barriers of entry will rise up because of the monopolist advantage that will characterize the ECOSSS.

Now, before introducing the bargaining power of suppliers first of all suppliers must be identified. In this context we have data suppliers and service suppliers. For example, the Global Reporting Initiative is a supplier both of data (considering its disclosure database from the website) and services (workshops, training, etc). Other service suppliers in terms of training and workshops
are all the certified training partners of GRI. Their bargaining power is strong because they are already consolidated in this sector. However, the level of awareness related with sustainability is low in Albania and region, and as a consequence this affects also the bargaining power of suppliers, reducing it. On the other hand, since this industry is embryonic, suppliers seek targets for offering information, training and workshops. In this sense, the bargaining power of buyers is also strong in a certain sense but not so much.

The buyers of the sector are individuals, groups, or organizations that want to be informed and trained on sustainable development principles and reporting procedures. Hence, at the moment, ECOSSS can be classified on the side of buyers. After some experience, it will offer its own services and can be classified as a supplier for other organizations. The bargaining power of buyers in Albania and region is strong, but not enough because the level of competition among suppliers is low.

Figure 1. Porter’s 5 forces model of competition

4. Discussion

Ethics and responsibility must be embedded in business models, organizational strategy and decision making process. Strong ethical policies that go beyond upholding the law can add great value to a brand whereas a failure to do the right thing can cause social, economic and environmental damage that can damage the goodwill of a company.

Once the entities have adopted the sustainability perspective they will often find that there are bottom lines benefits from demonstrating high ethical standards. Majority of the problems related with ethical issues caused in entities tend to be systemic issue since the ethical tone comes from
the top of the management system. Once the top management line sets some rules to be followed, in this case related with sustainability reporting, the ethical tone comes from the top. High quality management information on social, environmental and ethical performance is vital for monitoring the environmental and social impact of a company and for compiling connected reports showing how effective its governance arrangements are. Corporate communications and reporting sustainability need to do more than just pay service to green agenda. They need to provide hard evidence of the positive impact on society, the environment and the strategic returns for the business and the way that negative effects are addressed. An important point is the role of the management accountants on ethical responsibility to promote an ethics based culture that doesn’t permit practices such as bribery.

4.1. Implications

Through our research center initiative and support, a sustainability reporting is going to be conducted for Epoka University in order to be in the trend of the global initiatives of the world’s well known organizations, institutions and to be the first in Albania and in the Balkan region that prepares a sustainability report since there are only 155 universities worldwide that have already prepared and published their sustainability reports.

As follows, are briefly described the principal implications, and the derived benefits for the institution (i.e. Epoka University).

a. Epoka University will pioneer the sustainability movement in Albania, and at university level in the whole Balkan. For Albania, Kosovo, and Macedonia, there are no certifying practitioners for sustainability reporting.

b. The creation of the center will reinforce Epoka’s orientation toward research, remembering that the global trend is that of research universities (e.g. research improves teaching quality). This will influence also the university ranking.

c. Because the Albanian government with the latest Higher Education Reform has decided to finance the Universities in accordance to their level of innovation, research, and teaching, and because “sustainability is a source of innovation and profitability” (KPMG, 2011), then being a sustainable institution will be advantageous for increasing profits and obtaining government funds.

d. Adhering to sustainability principles and reporting, means that you are internationally protected by UN, GRI, OECD, etc.

e. Being a sustainable institution is easier to enlarge the international partnership network (considering the trend). It helps also being a strong candidate for European Projects because sustainability is the actual focus of European Projects.
f. ECOSSS will increase Epoka’s credibility and image toward stakeholders (students, staff, government, community, partners, etc).

Supporting institutions regarding consulting and partnership for Epoka’s Sustainability Center:

- Sapienza University of Rome – Centro Interuniversitario di Ricerca Per lo Sviluppo sostenibile (CIRPS);
- EADA Business School – Center for Corporate Sustainability Impact;
- Italian Association for Sustainability Science (IASS).

4.2. Recommendations

i. Senior managers and business leaders must demonstrate accountability and responsibility by example. This will show that middle and junior managers will be rewarded for taking an ethical stand and create the appropriate organizational culture.

ii. Governance structures should include people with appropriate skills to scrutinize performance and strategy across social, economical and environmental issues.

iii. Managers must come to problems with ‘prepared minds’, looking at ways in which an organization can benefit from a sustainability approach rather than one that relies narrowly on cost cutting or compliance.

iv. Finance professionals must play an active role as ethical champions by challenging the assumptions upon which business decisions are made. But they must do so while upholding their valued reputation for impartiality and independence.

v. Management accountants are encouraged to help ensure that their businesses are measuring performance on an appropriate time scale that will deliver sustained and sustainable success.

vi. Business leaders should use the skills of the finance team to evaluate and quantify reputational and other ethical risks.

vii. Finance professionals need to take social, environmental and economical factors into account when allocating capital, therefore that sustainable innovation is encouraged.

References


Ernst & Young (2013). The Value of Sustainability Reporting. EY LLP & Boston College Center for Corporate Citizenship


http://www.extension.harvard.edu/professional-certificates/corporate-sustainability-innovation-certificate


https://sustainabledvelopment.un.org/sdinaction/hesi

www.globalreporting.org

www.ibm.com

www.unglobalcompact.org